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**NEW CAN EUROPE PUBLICATIONS****Europe can move the UNFCCC negotiations forward**

BY ULRIKKA AARNIO, CAN EUROPE SENIOR POLICY OFFICER

The EU has had the most impact in international climate negotiations by being the first to unilaterally adopt clear, ambitious positions. The success of this approach has been demonstrated by EU-led initiatives such as the 2 degree target to limit global temperature rise and putting forward the concept of fast start finance. The EU was also first to present the 100 billion figure for medium term climate finance for developing countries.

Last year in Copenhagen the EU scored poorly with its conditional "we will move if you move on targets" strategy. Not only did that position not incentivise more ambition by other parties, it also ensured that the EU was sidelined when the deal was struck on the Copenhagen Accord. The EU's preparations for the 16th UNFCCC Conference of Parties (COP) in Cancun resulted in very little that seems new since the dramatic failure at COP15 in Copenhagen. The negotiating positions agreed by EU Ministers in October simply restate the old positions from the run-up to Copenhagen.

On the other hand, there appears to be widespread agreement from countries planning to attend the talks in Cancun that the meeting should be able to deliver decisions to enable action on adaptation, technology cooperation, forest protection and the governance of finance. Besides these areas of potential agreement, there are also equally important but potentially more difficult issues to be discussed in Cancun. These stickier issues are not likely to be resolved without some active and constructive involvement from the EU. Several areas where the EU could put up a fight in Cancun include securing the future of the Kyoto Protocol and defining a process toward a legally binding treaty, agreeing on innovative sources of finance and charting a course for bridging the "gigatonne gap" between current reduction pledges and what science requires to stay below a 1.5 degree temperature rise.

Uncertainty around the EU's views on legal architecture has already caused difficulties in its relationships with many developing countries. The 2012 expiration of the first commitment period of the Kyoto Protocol is looming, so the Cancun meeting is not a minute too soon for the EU to help secure

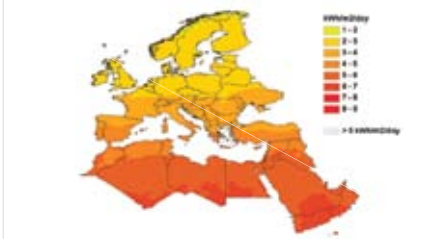
its continuation. The best way forward to get a mandate and timetable in Cancun for a comprehensive legally binding outcome in South-Africa appears to be for the EU to seek a joint understanding with the group of developing countries and the BASIC group (Brazil, South Africa, India and China). There must also be a joint understanding that the legally binding agreement must include economy-wide, top-down emission caps, common accounting rules, transparent monitoring, reporting and verification and effective international enforcement and compliance.

Another vital ingredient needed for effective progress in Cancun is clarity on financing, where the EU has clearly helped progress discussions in the past. The EU plans to present its first annual report on fast start finance in Cancun. Their report must be fully transparent and should establish a common definition for "additionality", i.e., whether or not climate finance pledges are really new and additional or just repackaged, previously committed money. To follow up the UN Secretary General's report on climate finance the EU should also lead on exploring the options for innovative sources of public finance. Potential instruments include, among many options, a financial mechanism based on emissions from shipping and aviation and a financial transaction tax. In the EU, revenues from the EU emissions trading system could also provide an important source of additional and predictable funding.

Over the past year, politics have replaced science as the determining factor for industrialised countries' emission reductions pledges. Now that all the false accusations that were used to try to discredit climate science over the past year have been proven wrong, it is the right time to bring science back to the UNFCCC by acknowledging the gigatonne gap and how inadequate the current pledges are for avoiding dangerous climate change. We must start a process for increasing emissions reduction pledges to the required level. The EU can play an important role in making reduction targets meet science by increasing its 20% target to 30%.

The NGO community stands ready to help the EU fight for these crucial issues, which can bring about significant change in Cancun. ■





The EC programmes its aid to ACP countries under the EDF, which sets the main priorities for funding towards these regions. Covered sectors include health, peace and security. The programming process leads to the adoption of a new generation of Country and Region Strategy Papers (CSP/RSPs) for ACP countries. CSPs serve as the basis for development cooperation that spells out the rationale and main areas of EU intervention.

## ‘Climate-proofing’ rises from the ashes Looking beyond climate financing in EU development cooperation

BY KARIM HARRIS, DEPUTY DIRECTOR, CAN-EUROPE

Of the various processes that have been started to deal with integrating climate change into EC development concerns, no real efforts have been made to ensure their success. Many people on both sides have devoted time and energy to these processes, but follow-up and implementation have been lacklustre at best. From the EU Action Plan on Climate Change and Development Cooperation to the EU’s Global Climate Change Alliance, to the EU-Africa Strategy, there has been initiative after initiative since 2003 which have not delivered, ‘measurable, reportable and verifiable’ results for the problem of how we allow developing countries to feed and support their citizens in a climate constrained world.

Of course, the EC claims these policies have not been complete failures. A quick scan of their websites points to a host of successes in this area. However, the measurements for achievement will need to be evaluated before claims of success can be seen as true. From our viewpoint, the policies simply have not delivered the high degree of cooperation and trust needed between the EU and its partner countries to deliver real change to the dynamics that play out at each and every UNFCCC Conference of Parties (COP).

Re-labeling the same old business-as-usual policies will not deliver the kind of results necessary to save poor people’s lives. Therefore, a closer look at existing EU policies that can deliver results, with a little tweaking, is needed. Once again, ‘climate proofing’ – i.e., enhancing adaptive capacity and resilience to climate change - is being openly discussed and this time around not in a derogatory manner, as was the case a few years ago (i.e., during the euphoric time leading up to the Bali COP).

This shift is a welcome one for CAN-Europe, as the largest network working on climate change. Our key concern is getting policies right that will not only deliver emissions

reductions but also help the most vulnerable people on the planet. One area in which CAN-Europe will be focusing from 2011 onwards includes Country Strategy Papers (CSPs). Stemming from the 10th European Development Fund (EDF) and running for five years (2008 - 2013 is the current cycle), they represent a major avenue for putting climate proofing into practice. With a budget of a minimum of €22.8 Billion and encompassing 77 Africa, Caribbean and Pacific countries (ACP), this programme deserves a closer examination by climate NGOs.

### Sorry State of Affairs

In our opinion, the current state of the CSPs is not good. There is no sector specifically dedicated to climate action. It is left to see if the country plans themselves involve climate activities, but none of the current plans even mention climate change, either directly or indirectly. It is therefore important for climate NGOs to engage with the programming process as the resulting Strategy Papers guide EC development policy towards the countries and regions concerned for the entire programming period. The programming process might also set the basis for joint programming by EU Member States.

2010 was meant to mark the Mid-term Review for the CSP process to evaluate the relevance and performance of development cooperation. At the time of writing, the review - which was due in April - was still not available. However, civil society’s engagement continues to be significant. There is a strong basis for CSO involvement built into the ACP framework. CAN members and CONCORD members already engage with this process through the Cotonou Working group.



### Next Steps

We still expect the Mid-term Review to be published this year. The time is ripe for us to get involved, on the cusp of the 2nd phase of the current plans and ahead of the negotiations for the 11th EDF (2014-2019). We will use the results of the Mid-term Review to formulate our activities, seeking areas of influence and forging links and alliances. From these results we will work toward influencing the drafting of the 11th EDF and the resulting CSPs. Our focus will be ensuring that they have climate activities to allow ACP countries to meet their monitoring, reporting and verification (MRV) commitments and that EU development policy is coherent across the board. ■

For more info:

[http://ec.europa.eu/development/how/iqsg/index\\_en.cfm?CFID=3843580&CFTOKEN=25810993&jsessionid=0806d58e5d0141465436](http://ec.europa.eu/development/how/iqsg/index_en.cfm?CFID=3843580&CFTOKEN=25810993&jsessionid=0806d58e5d0141465436)

### CALENDAR

For more details on these events check out our calendar on our website

**November 29 – December 10, 2010:**  
UNFCCC COP16, Cancun, Mexico

**December 16 – 17, 2010:**  
EU Council (Heads of State)

**December 20, 2010:**  
Environment Council

**February 4, 2011:**  
Extraordinary EU Energy Council

The European Commission has also allocated another budget line through Investing in People (IIP). The IIP aims to support various areas of human development including health, gender equality, education and employment.

**EU POLICY FOCUS** | As 2010 draws to a close, all eyes are looking toward Cancun to see what will come out of COP16. Unfortunately, the EU does not look set to make any major changes to its already watery position in the international negotiations.... On a brighter note, 2011 should be a landmark year for EU legislation on energy efficiency and savings, with EU legislative proposals promised on the Future of Transport (White Paper, due January), Roadmap for a Low-carbon Economy (due Q1 2011), adoption of the Energy Action Plan (due February), a directive on Energy Efficiency and Savings Allocation (due Q3 2011) and the Energy Roadmap 2050 (due Q3 2011).

## There has never been a better time for Europe to invest in energy efficiency.

BY FIONA RIDDOCH, COGEN EUROPE

*Concerned by continued slow progress, poor implementation and delayed decisions on energy efficiency in European policy, 20 well-established European organisations covering the broadest possible spectrum of public, NGO, industrial and trade organisations, have pooled resources and launched a new coalition to work toward greater energy savings in the EU. The Coalition for Energy Savings (CES) was launched in June 2010 to urge the European Commission and Parliament to seriously improve efforts on energy efficiency and savings.*

In these times of financial crisis, where big structural projects face huge economic challenges, a programme that would stimulate European-based technology while delivering direct benefits to citizens in the form of reduced fuel bills and improved comfort should be the way forward. Energy efficiency delivers all these things, in addition to creating another important benefit - local jobs. While it costs some up-front capital, it's not nearly as much as big structural projects. There has never been a better time for Europe to invest in energy efficiency.

The EU's 20% energy savings target outlined in the 2008 Climate/Energy package is not mandatory. Every report on decarbonisation, starting with the Stern report in 2006, has stressed that energy efficiency and energy savings are the lowest cost decarbonisation solutions, have typically a 5-10 year payoff period and reduce the need for building additional and costly generation and distribution structures for electricity and gas. Increased energy efficiency also decreases imports and increases energy security. We should determine how much electricity and heat we really need before we extract more fuel

and add new energy generation facilities. To accomplish this, we should first reduce energy use through increased efficiency and energy savings. Second, we can recycle energy; for example, steam at the end of an industrial process is still hot enough to be used for space heating. Third, we should apply renewables to the remaining demand.

Effective application of this three-pronged approach - known as the "trias energetica" - has another important implication. It requires us to consider total energy demand in Europe for heat and electricity (and eventually transport), rather than concentrating solely on electricity. More than half of the energy consumed in Europe today is used for heating, which will continue to be the case for at least the next 10-15 years. Once we expand the discussion to cover generation and use of both electricity and heat, the opportunities for energy efficiency increase and integration of renewables into the whole system is more effective. Demands for heat and electricity tend to come in unison. For example, homes and industry need hot water, warmth and electricity at the same time. Therefore, if you are burning fuel, it is far more efficient to produce them together in cogeneration mode, than to produce them separately. The combined approach saves on electricity distribution losses (4%-6% across the electricity network) and makes use of the heat, which in centralised electricity generation is literally dumped. This clustering of uses saves CO2 the way all energy efficiency measures do, by burning less fuel overall.



Despite the fact that prioritising energy efficiency has real near-term economic and CO2 reduction benefits, the energy savings target is the only non-mandatory target from the EU's 2008 Energy/Climate package. All indications point to the EU achieving only 11% rather than its stated goal of 20% energy savings by 2020. Legislation supporting energy efficiency is weak, poorly implemented by member states and very much focused on end use rather than up-front savings. The rhetoric from Brussels must be backed by firm leadership and conviction, especially on the part of Member States. The CES is calling on the EU to change its approach from lip-service to action and is pursuing both the Commission and Parliament at every turn of the Brussels energy agenda, strengthening resolve, highlighting failing actions and questioning motivations. The European Parliament's Industry, Trade and Research (ITRE) and Environment Committees recently passed resolutions calling for a binding energy savings target. The Coalition is asking for similar resolve from all the EU institutions, requesting them to take policy action on energy savings, including by putting the 20% energy savings target on equal footing with the other mandatory 2020 targets ■

### HOTDOCS

GROUNDING! How ICAO failed to tackle aviation and climate change and what should happen now (October 2010)

[http://www.transportenvironment.org/Publications/prep\\_hand\\_out/lid/606](http://www.transportenvironment.org/Publications/prep_hand_out/lid/606)

Carbon Disclosure Project 2010 - the Europe 300

A catalog of the business sector's response to scientific knowledge about climate change (November 2010)

<https://www.cdproject.net/CDPResults/CDP-2010-Europe-300-Report.pdf>



## New CAN Europe Publications

### Has the EU kept its fast start finance promises?

A new report, commissioned by CAN Europe, examines the EU's commitment to keeping the promises made by developed countries in Copenhagen to provide immediate "new and additional" climate cash for developing countries.

Based on the findings of the independent report, green and development NGOs urge the EU to be fully transparent in its reporting on "fast-start" climate finance. Complete reporting transparency on near-term finance could set a good precedent for long-term climate finance. It is also vital to building trust between developed and developing countries, which is crucial to success in the international climate negotiations in Cancun. The EU will present its first annual report on Fast Start Finance in Cancun.

To see the NGO report, go to [http://www.climnet.org/resources/position-papers/doc\\_download/1741-has-the-eu-kept-its-fast-start-climate-finance-pledges](http://www.climnet.org/resources/position-papers/doc_download/1741-has-the-eu-kept-its-fast-start-climate-finance-pledges)



### Think globally, sabotage locally

How and why European companies are funding climate change deniers and anti-climate legislation in the 2010 US Senate race

CAN Europe has released a report, based on an analysis of publicly available campaign finance records, showing that polluting European companies are funding climate legislation blockers in US politics. Their support is all the more galling because the same companies argue that additional emissions reductions in Europe cannot be pursued until the United States takes action.

The report was based on data released by the US Federal Elections Commission and accessible via the Open Secrets database in October 2010. CAN Europe uncovered what appears to be a clear pattern of European polluters influencing United States climate and energy policies through targeted donations to candidates who oppose action on climate change. Big European emitters BAYER, BASF, Solvay, Lafarge, BP, GDF-SUEZ, Arcelor-Mittal and EON supported senators blocking climate change legislation in the US for a combined total of \$240,200, which is more than the Koch brothers, the biggest US-based climate denier funders, donated during election season.

To see the full report, go to [http://www.climnet.org/component/docman/doc\\_download/1719-caught-eu-companies-funding-climate-legislation-blockers-in-us-senate](http://www.climnet.org/component/docman/doc_download/1719-caught-eu-companies-funding-climate-legislation-blockers-in-us-senate)

### Steel, cement and paper: Identifying breakthrough technologies that will lead to dramatic greenhouse gas reductions by 2050

A new report released by CAN Europe shows greenhouse gas reductions of 80% or more are possible in European industry. It has often been argued that such deep emissions reductions are technically impossible or that they would harm the economy and create unemployment, a fear that has been holding back appropriate climate action in Europe. CAN's brochure highlights evidence to the contrary, showcasing the potential for deep emissions reductions in three of Europe's most important industries: the paper, cement and steel sectors.

To see the full report go to [http://www.climnet.org/resources/position-papers/cat\\_view/318-position-papers-and-research/232-energy-and-climate](http://www.climnet.org/resources/position-papers/cat_view/318-position-papers-and-research/232-energy-and-climate)



## Hotspot

Published by Climate Action Network (CAN) Europe, the European office of CAN – a global coalition of over 500 NGOs working to halt the most dangerous effects of climate change.

CAN Europe promotes action to limit human-induced climate change to ecologically sustainable levels. It represents over 140 organisations in 27 European countries including most EU member states.



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## HOTLINKS

Website set up by Dutch gov't to track EU member states' fast start finance pledges  
<http://www.faststartfinance.org/>

Any home computer user can help provide data on the link between climate change and extreme weather events  
<http://www.guardian.co.uk/environment/2010/nov/17/weatherathome-climate-change-weather-project>